

THE BOARD OF COMMISSIONERS

TONI PRECKWINKLE

PRESIDENT

EARLEAN COLLINS	1st Dist.	PETER N. SILVESTRI	9th Dist.
ROBERT STEELE	2nd Dist.	BRIDGET GAINER	10th Dist.
JERRY BUTLER	3rd Dist.	JOHN P. DALEY	11th Dist.
WILLIAM M. BEAVERS	4th Dist.	JOHN A. FRITCHEY	12th Dist.
DEBORAH SIMS	5th Dist.	LARRY SUFFREDIN	13th Dist.
JOAN PATRICIA MURPHY	6th Dist.	GREGG GOSLIN	14th Dist.
JESUS G. GARCIA	7th Dist.	TIMOTHY O. SCHNEIDER	15th Dist.
EDWIN REYES	8th Dist.	JEFFREY R. TOBOLSKI	16th Dist.
		ELIZABETH ANN DOODY GORMAN	17th Dist.



OFFICE OF THE INDEPENDENT INSPECTOR GENERAL

PATRICK M. BLANCHARD

INSPECTOR GENERAL

69 West Washington
Suite 1160
Chicago, Illinois 60602
TEL (312) 603-0350
FAX (312) 603-9948

October 18, 2011

Honorable Toni Preckwinkle
and Members of the Board of Commissioners
of Cook County, Illinois
118 North Clark Street
Chicago, Illinois 60602

Re: Independent Inspector General Quarterly Report (3rd Qtr. 2011)

Dear President Preckwinkle and Members of the Board of Commissioners:

This report is written in accordance with Section 2-287 of the Independent Inspector General (OIIG) Ordinance, Cook County, Ill., Ordinances 07-O-52 (2007), to apprise you of the activities of this office during the time period beginning July 1, 2011 through September 30, 2011.¹

In connection with the number of complaints received during the subject reporting period, please be advised that this office has received a total of 125 complaints.² Please be aware that during the subject reporting period, 12 OIIG investigations have been initiated. This number also includes those investigations resulting from the exercise of my own initiative (OIIG Ordinance, sec. 2-284(2)). Additionally, 29 OIIG case inquiries have been initiated during this reporting period while a total of 85 OIIG case inquiries remain pending at the present time. Six matters have been referred to other enforcement or prosecutorial agencies for further consideration and 6 cases have been referred and/or opened by the Complaint Administrator pursuant to the *Supplemental Relief Order*.

Please be aware that this office has also opened 8 joint investigations with the Office of the Complaint Administrator in anticipation of the transition of investigative duties of the

¹ The OIIG began operations in October 2008 with my appointment by the Board of Commissioners.

² As indicated in previous reports, upon receipt of a complaint, an OIIG complaint number is assigned to the contact and a triage/screening process of each complaint is undertaken. We will initiate a formal investigation when appropriate by assigning an OIIG case number and investigator to the matter. In order to streamline the OIIG process and maximize the number of complaints that will be subject to review, if a complaint is not initially opened as a formal investigation it may also be reviewed as an "OIIG inquiry." This level of review involves a determination of corroborating evidence before assigning an OIIG case number to the complaint. When the initial review reveals information warranting the opening of a formal investigation, an OIIG case number is assigned. Conversely, if additional information is developed to warrant the closing of the OIIG Inquiry, the matter will be closed.



Complaint Administrator to the OIIG in the coming months. We have conducted numerous meetings with the Complaint Administrator and his staff to facilitate the transition and establish a protocol for joint investigations. Additionally, this office has initiated compliance and monitoring efforts focused on Cook County and Forest Preserve District employment practices in anticipation of the transfer of *Shakman* monitoring duties by the Office of the Compliance Administrator.

In connection with the recently opened investigations by the OIIG, the following is a general description of the issues under review:

1. Failure to adhere to procurement policies by steering contracts to preferred vendors;
2. Falsification of employment record(s);
3. W/MBE fraud (vendor pass-through);
4. Review of Health and Hospitals System (HHS) medical billing procedures;
5. Highway Department desk audit;
6. Obstruction of an OIIG investigation;
7. Unlawful political discrimination;
8. Highway Department facility site inspection survey that involves unannounced site visits to assess safety, efficiency and compliance issues;
9. Allegations involving the failure to impose discipline on favored employees (8);
10. Assessment of inventory controls;
11. Assessment of HHS vendor compliance with W/MBE participation goals;
12. Fraudulent billing by retained counsel.

The OIIG currently has a total of 147 matters under investigation. The number of open cases beyond 180 days of the issuance of this report is 126 due to various issues including the nature of the investigation, availability of resources and prosecutorial considerations.

During the 3rd quarter of 2011, the OIIG issued 10 summary reports. The following is a general description of each matter and whether an OIIG recommendation for remediation/discipline has been adopted, if applicable due to the time permitted for corrective action. Specific identifying information is being withheld in accordance with the OIIG Ordinance where appropriate.

IIG11-0027. This investigation followed the discovery of a \$90 million dollar accounting error reported in Cook County's public financial report for fiscal year 2009. The OIIG investigation was initiated to ascertain whether the County's misstatement was due to accounting error or fraud. The investigation determined that the error was unintentional. However, this investigation also revealed a number of internal control deficiencies that exposed the Comptroller's Office to reoccurring financial reporting misstatements. This office issued the report to the Members of the Board of Commissioners on July 5, 2011. The report also detailed recommendations for remedial change to rectify the conditions that culminated in the accounting error. The OIIG has not received a response to the subject recommendations.

IIG10-0025. This matter involved a finding by this office that an employee in the Forest Preserve District falsified applications for hire and promotion by failing to disclose a criminal background. The OIIG recommended the imposition of discipline. The District has adopted the recommendation and discharged the subject from employment.

IIG09-0073. The OIIG opened this investigation after receiving the results of an external audit by McGovern & Greene of the Office of the Cook County Public Administrator that revealed stolen checks from an estate being administered by the Public Administrator. The investigation identified the payees of the subject checks, but the evidence did not support a conclusion that employees of the Public Administrator participated in the theft.

IIG09-0160. This investigation involved allegations of theft and/or improper use of county property by an employee(s) of the Judicial Advisory Council. The allegations were not sustained by this office.

IIG09-0145. This matter involved a review of the circumstances surrounding the selection of a vendor under the umbrella of a group purchasing organization serving the Health and Hospitals System. The preponderance of the evidence developed in this investigation failed to support a finding that HHS violated County procurement policies.

IIG11-0014. Allegations were received by this office involving threats of physical violence and intimidation by 2 Forest Preserve District employees that were made in connection with a *Shakman* training presentation and designed to prevent cooperation with *Shakman* investigators. Based upon the preponderance of the evidence that was developed during the investigation which involved numerous interviews of all relevant parties, these allegations were not sustained.

IIG11-0007(a). This investigation was initiated after the OIIG received information implicating Department of Revenue investigators in a pattern of conduct involving the solicitation and acceptance of bribes from cigarette vendors while the Revenue investigators were performing field inspections of retail stores for compliance with Cook County's tobacco revenue ordinance. Following an extensive investigation by the OIIG, the allegations have been confirmed. Two revenue investigators have acknowledged their participation in the bribery scheme. One of the investigators has resigned and returned the remaining proceeds of the scheme to the OIIG while the other investigator was discharged from employment. The Department of Revenue has responded to these circumstances and instituted various internal control measures to prevent such circumstances from occurring in the future.

IIG11-0003. This investigation was initiated on information concerning the discovery of a copy of a Cermak Health Services nurse's driver's license being found in a protective custody cell of a Department of Corrections' detainee. Prior to the search of the detainee's cell, the subject nurse had been verbally confronted by the detainee during her rounds on the tier at which time he recited her personal information and claimed he had the personal information of

other employees assigned to Division IX. The detainee asserted that certain other employees in Division IX provided him the subject private information. This investigation also included numerous interviews and the cooperation of the Sheriff's Office of Professional Review. The results of this investigation are inconclusive as to the source of the driver's license and to the potential violation of Cermak and/or Department of Corrections policies and general orders.

IIG11-0040. This is a joint investigation conducted with the Office of Complaint Administrator into the alleged politically influenced hiring of a Forest Preserve District manager in violation of hiring protocols. The allegations are not sustained by both the OIIG and Complaint Administrator.

IIG10-0046. This matter was initiated following allegations that the personal and financial investment activities of an officer in the Health and Hospitals System represented a conflict of interest with her position in HHS along with other allegations implicating the Code of Ethics. We have determined that the officer's financial interests do not conflict with her duties at HHS or implicate the Code of Ethics.

As part of the quarterly report of this office, we will also report on any proposed legislation of this office. As you are aware, this office issues proposed ordinances and amendments for consideration in connection with vulnerabilities that are identified during the course of investigations. In 2011, for example, the OIIG has proposed (a) amendments to the Ethics Ordinance to limit contractors/vendors' contributions to campaigns involving county office through third-parties, such as a political action committee, (b) the Cook County Internal Controls Ordinance, a comprehensive measure designed to create a systematic framework to cure the current weaknesses in Cook County's internal fiscal controls, (c) various amendments to the Purchasing Ordinance to address loopholes involving professional services, and (d) amendments to the Child Support Compliance Ordinance to facilitate employee compliance with court ordered child support payments.

Recently, we proposed amendments to the OIIG Ordinance that are designed to clarify (a) the jurisdictional limitations of the OIIG to conduct investigations involving offices funded by the County through the annual appropriations bill and (b) the authority of the OIIG to permit a team of peer review specialists of the Association of Inspectors General to conduct a peer review of the OIIG. We believe that peer review is an important aspect of the development and maintenance of a highly professional Inspector General organization. In connection with the clarification of the jurisdiction of the OIIG, we have proposed clarifying language in light of a recent objection to the jurisdiction of the OIIG to conduct investigations involving two offices funded through the annual appropriations bill. In this regard, we are seeking guidance from the Board of Commissioners as to whether OIIG reviews should extend beyond the offices under the President, HHS and Forest Preserve District to independent offices funded through appropriations by the County or be limited to those independent offices that consent to OIIG jurisdiction.

Finally, I am pleased to inform you that we have retained additional staff this quarter. Vincent Williams and Richard Slingerland have been assigned to focus on financial investigations and compliance. Mr. Williams served for 30 years as a Federal Agent for the Internal Revenue Service, Criminal Investigation Division, where he also served as the Special Agent-in-Charge and Assistant Special Agent-in-Charge of the Cleveland and Houston offices of the IRS. Mr. Williams is also a Certified Fraud Examiner. Mr. Slingerland possesses 32 years of auditing and financial investigations experience. Since, 1998, Mr. Slingerland served as Director of Investigations for the Office of Inspector General, Board of Education of the City of Chicago.

Andrew Jester and Rachel Marrello have been assigned to the Unlawful Political Discrimination section of the OIIG. As you recall, four positions were added to the OIIG budget in FY 2011 to support the transition of compliance and monitoring duties to this office. Both Mr. Jester and Ms. Marrello are attorneys who previously worked as investigating attorneys in the Offices of the Compliance Administrator for the County and Forest Preserve District. Mr. Jester has practiced law for 18 years, initially with the Office of the Public Defender and, since 2000, in private practice with a firm specializing in criminal defense and general litigation. Ms. Marrello is an employment attorney with 10 years of professional experience. Following her service with the Compliance Administrator in July 2010, Ms. Marrello joined this office as an Investigator II and is now reassigned to the goal of transitioning *Shakman* monitoring and compliance duties to this office. Mr. Robert Burton has also joined this office and will focus on general investigations. Mr. Burton has an extensive 28 year background conducting fraud and financial crimes investigations as well as compliance reviews with several federal agencies including the past 19 years with the U.S. Department of Labor, Office of Inspector General. Importantly, each of these individuals demonstrate a strong sense of professionalism and are very focused and dedicated to the mission of the OIIG.

Thank you for your time and attention to these issues. Should you have any questions or wish to discuss this report further, please do not hesitate to contact me.

Very truly yours,



Patrick M. Blanchard
Independent Inspector General
(312) 603-0364

cc: Mr. Kurt Summers, Jr., Chief of Staff, Office of the President
Ms. Laura Lechowicz Felicione, Legal Advisor to the President
Dr. Ramanathan Raju, Chief Executive Officer, Health and Hospitals System
Mr. Arnold Randall, General Superintendent, Forest Preserve District
Ms. Mary Laraia, Deputy Superintendent, Forest Preserve District